

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

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| IN RE: ATMOS ENERGY CORPORATION | DOCKET NO. WRU-00-49 |
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ORDER GRANTING WAIVER

(Issued August 15, 2000)

On June 19, 2000, Atmos Energy Corporation (Atmos) filed with the Utilities Board (Board) a request for waiver of Iowa Code §§ 476.76 and 476.77 (1999) and 199 IAC chapter 32 with respect to the proposed purchase of Louisiana Gas Service by Atmos. No objection has been filed to the pleading.

Atmos is a Texas and Virginia corporation with its principal office in Dallas, Texas. Its business is primarily the local distribution and transportation of natural gas. Atmos serves approximately 4,750 customers in Iowa. Atmos proposes to purchase Louisiana Gas with the issuance of \$375 million in short-term debt. The short-term debt would then be refinanced with long-term debt within one year of the closing of the transaction. Louisiana Gas has no assets or customers in the state of Iowa and is not subject to the regulation of the Board.

Iowa Code § 476.77 provides that the Board may adopt rules which exempt a public utility from the filing requirements of that section, if the Board finds that review is not necessary in the public interest. The Board promulgated rules regarding

reorganizations, including waivers or exemptions, in 199 IAC chapter 32. The standards for review of a request for a waiver in § 476.77 indicate the important question is the effect of the acquisition or sale on the utility's ratepayers and the public interest. The Board stated when adopting an amendment to chapter 32, that waivers will be liberally granted where the proposed reorganization has minimal or no impact on Iowa ratepayers. "Order Adopting Rules," *In re Disposal of a Public Utility's Assets*, Docket No. RMU-91-2 (April 24, 1992).

Because of the small amount of business Atmos does in Iowa, few of Atmos' assets are located in Iowa and subject to rate or service regulation by the Board. Based on the waiver filing, it appears the purchase will have minimal, if any, effect on Iowa ratepayers and Atmos has represented by affidavit that the reorganization will have no effect on service to Iowa ratepayers.

A waiver of Iowa Code §§ 476.76 and 476.77 and 199 IAC chapter 32 will be granted based on the Board's review of the information provided by Atmos in its pleading and the fact that Louisiana Gas has no customers or assets in Iowa. Thus, the Board finds that the reorganization will have minimal or no effect on Iowa ratepayers and review of the reorganization is not necessary in the public interest.

IT IS THEREFORE ORDERED:

The waiver request filed by Atmos Energy Corporation on June 19, 2000, is granted. The application of Iowa Code §§ 476.76 and 476.77 (1995) and 199 IAC chapter 32 to the purchase of Louisiana Gas Service is waived.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Raymond K. Vawter, Jr. /s/ Diane Munns
Executive Secretary

Dated at Des Moines, Iowa, this 15th day of August, 2000.